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UNCLAS SECTION 01 OF 02 ROME 000586

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: ECON ECPS ECPS IT ITECON

SUBJECT: AMBASSADOR'S LUNCH WITH MINISTER OF COMMUNICATIONS

## SUMMARY

- (U) DURING HIS INITIAL MEETING WITH THE MINISTER OF UNCLASSIFIED
- PAGE 02 ROME 00586 01 OF 02 061352Z COMMUNICATIONS, THE AMBASSADOR PROMOTED MOTOROLA'S BID FOR THE TENDER FOR A NATIONAL PUBLIC SAFETY DIGITAL MOBILE COMMUNICATIONS SYSTEM, SOUGHT FAIR MARKET ACCESS FOR U.S. FIRMS, AND OUTLINED THE U.S. MILITARY'S NEED FOR RADIO AND TELEVISION COMMUNICATIONS FREQUENCIES. END SUMMARY.
- MINISTER OF COMMUNICATIONS, MAURIZIO GASPARRI, HOSTED THE AMBASSADOR AT LUNCH THURSDAY, JANUARY 31. UNDER-SECRETARY GIANCARLO INNOCENZI AND MIN. GIANFRANCO GIORGOLO, THE DIPLOMATIC ADVISOR, DCM POPE, AND ECMIN DEAN ALSO ATTENDED.

AFNS

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- THE AMBASSADOR USED THE OPPORTUNITY TO RAISE THE NEED OF THE US AMERICAN FORCES NETWORK SOUTH (AFNS) TO PROVIDE RADIO AND TELEVISION COMMUNICATIONS ACCESS TO THE U.S. MILITARY COMMUNITY IN ITALY (AROUND 65,000 PEOPLE) AS NECESSARY FOR FORCE PROTECTION AND FOR MORALE. SII ITALIAN MINISTRY OF DEFENSE WILL NOT EXTEND LOANER SINCE THE FREQUENCIES BEYOND THE END OF 2002, DOD IS CONCERNED THAT WE MAY LOSE OUR ABILITY TO COMMUNICATE WITH OFF-DUTY MILITARY AND THEIR FAMILIES. THE MINISTER SAID THAT HE WOULD LOOK INTO IT.
- 14. (SBU) ON FRIDAY, FEB. 1, ING. GIGANTINO FROM THE MINISTRY OF COMMUNICATION AND THE INDIVIDUAL RESPONSIBLE FOR TRACKING THE AFNS ISSUE, CALLED US SENDING STATE OFFICE AND THE ECONOMIC MINISTER SEPARATELY TO SAY THAT THE MINISTRY WOULD HAVE NO PROBLEMS WITH THE MINISTRY OF DEFENSE AND ITALIAN UNCLASSIFIED
- ROME 00586 01 OF 02 061352Z DEFENSE GENERAL STAFF (IDGS) EXTENDING THE LOAN OF THE FREQUENCIES BEYOND THE END OF THE YEAR AS LONG AS THE MOD AND IDGS AGREED. THE MINISTRY OF COMMUNICATION, HOWEVER, HAS NO CIVILIAN FREQUENCIES THAT THEY COULD LEND. THE MINISTRY WANTED TO KNOW WHAT THE U.S. PROPOSALS WERE FOR A SOLUTION WHEN THE LOAN PERIOD EXPIRES AT THE END OF THE YEAR. (COMMENT: DESPITE THE MINISTER'S OPTIMISTIC VIEW THAT HE COULD FIX THIS, THE FOLLOW-UP CALL INDICATES ESSENTIALLY NO PROGRESS.)

## FAIR MARKET ACCESS FOR U.S. FIRMS

- (U) THE AMBASSADOR ALSO EMPHASIZED THE NEED TO HAVE A LEVEL PLAYING FIELD IN THE BUSINESS WORLD. ITALY AND THE U.S. ARE IN AN INCREASINGLY GLOBAL MARKET PLACE AND THE RULES NEED TO BE TRANSPARENT AND FAIR. IF IT TAKES ONLY TWO DAYS FOR AN AMERICAN TO SWITCH TELEPHONE PROVIDERS, AND 12 DAYS IN EUROPE, IT IS HARD TO UNDERSTAND WHY IT SHOULD 28-35 DAYS IN ITALY. SUCH DELAYS LOOK LIKE A BARRIER TO THOSE COMPANIES WHO WISH TO PROVIDE COMMERCIAL ALTERNATIVES TO THE MONOPOLY PROVIDER.
- (U) THE AMBASSADOR RAISED THE JOINT STRIKE FIGHTER AS AN EXAMPLE WHERE THE U.S. WAS LOOKING FOR TOP QUALITY PARTNERS, THOSE WHO PRODUCE TOP-NOTCH PRODUCTS. WE LOOK FORWARD TO ITALY'S BECOMING A PARTNER IN THE JSF. EVERYONE WOULD BE ABLE TO COMPETE FOR CONTRACTS, AND THIS IS WHAT WE WOULD LIKE TO SEE ON ITALY'S SIDE.

MOTOROLA

UNCLASSIFIED

PAGE 04 ROME 00586 01 OF 02 061352Z

 $\P 7.$  (SBU) REINFORCING THE EMBASSY'S ADVOCACY WITH ITALY FOR MOTOROLA TO WIN AN ITALIAN INTERIOR MINISTRY TENDER FOR A NATIONAL PUBLIC SAFETY DIGITAL MOBILE COMMUNICATIONS SYSTEM, THE AMBASSADOR AGAIN EMPHASIZED THE NEED FOR 'BUYING THE THE MINISTER UNDERLINED THAT THIS IS NOT A MINISTRY OF

COMMUNICATIONS DECISION, BUT THAT HE UNDERSTOOD THE AMBASSADOR'S CONCERN THAT THE COMPETITIVE PROCESS BE OPEN.
THE AMBASSADOR REITERATED THAT A LEVEL PLAYING FIELD ALSO REQUIRES AN OPENNESS IN TENDERING AND MAKING SELECTION (COMMENT: EVEN THOUGH THIS IS A MINISTRY OF INTERIOR DECISION, WE BELIEVE THAT GASPARRI IS LIKELY TO BE A KEY PLAYER IN THE SELECTION PROCESS.)

## WIRELESS LOCAL LOOP

(U) GASPARRI NOTED THAT THEY WERE HAVING A COMPETITION FOR THE FIXED TELEPHONE WIRELESS LOCAL LOOP WHICH SHOULD IMPROVE SERVICE TO THE CUSTOMER. IN MOBILE TELEPHONY THERE ARE FOUR COMPETITORS AND SO SERVICE IS GOOD, BUT IN FIXED TELEPHONY THERE IS A DOMINANT OPERATOR WHO CONTROLS THE MARKET AND SO THERE IS LITTLE COMPETITION AND LESS SERVICE.

## UNCLASSIFIED

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PAGE 01 ROME 00586 02 OF 02 061352Z

ACTION EUR-00

CIAE-00 CIP-00 INFO LOG-00 AGRE-00 AID-00 CEA-01 COME-00 DODE-00 ITCE-00 DOTE-00 SRPP-00 CTME-00 EB-00 EXME-00 E-00 FAAE-00 UTED-00 FCC-01 VC-00 FRB-00 H-01ITC-01 TEDE-00 INR-00 LAB-01 L-00 VCE-00 AC-01 NSCE-00 OMB-01 NSAE-00 OPIC-01 PM-00ACE-00 SP-00 TEST-00 TRSE-00 USIE-00 SSO-00 SS-00 STR-00 TEST-0 NISC-00 PMB-00 DRL-02 G-00 SNTS-00 SAS-00 SWCI-00 /010W -----62D6D5 061352Z /38

R 061330Z FEB 02 FM AMEMBASSY ROME TO SECSTATE WASHDC 1995 INFO AMCONSUL FLORENCE AMCONSUL MILAN AMCONSUL NAPLES

UNCLAS SECTION 02 OF 02 ROME 000586

SIPDIS

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HE THOUGHT IT IS NECESSARY TO LIBERALIZE THE MARKET AND IMPROVE THE CHOICES AVAILABLE.

BTO

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PAGE 02 ROME 00586 02 OF 02 061352Z

MAURIZIO GASPARRI IS ONE OF THE CLOSEST ADVISERS OF THE ¶ 9 NATIONAL ALLIANCE LEADER AND DEPUTY PM GIANFRANCO FINI. GASPARRI WAS BORN IN ROME ON JULY 18, 1957, GRADUATED FROM HIGH SCHOOL, AND WORKED AS A JOURNALIST UNTIL 1994. HE WAS ELECTED TO THE CHAMBER OF DEPUTIES IN 1992 WITH THE RIGHTIST ITALIAN SOCIAL MOVEMENT. IN THE CHAMBER HE HAS BEEN A MEMBER OF COMMITTEES FOR PRODUCTIVE ACTIVITIES, DEFENSE AND JUSTICE. HE WAS UNDER SECRETARY IN THE INTERIOR MINISTRY UNDER THE FIRST BERLUSCONI GOVERNMENT. HE IS MARRIED AND HAS ONE DAUGHTER. HE DOES NOT SPEAK MUCH ENGLISH, ALTHOUGH HE APPEARS TO UNDERSTAND SOME. SEMBLER

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